



News Release from Congressman

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SIMMONS ASKS THE NEW YORK TIMES: "WHAT'S CHANGED SINCE SEPTEMBER 24, 2001?"

WASHINGTON, DC – Rep. Rob Simmons, R-2nd District, today questioned the decision by the *New York Times* to reveal the existence of the Terrorist Finance Tracking Program ("Bank Data Is Sifted by U.S. in Secret to Block Terror," 6/23/06).

"What's changed since September 24, 2001?" Simmons asked. "Why has the *Times* shifted its position on giving law enforcement the tools it needs to crack down on terrorists? Two weeks after 9-11, the *Times* said 'the Treasury Department also needs new domestic legal weapons to crack down on money laundering by terrorists.' Now five years later, they expose an aggressive and classified effort to track terrorist networks through the use of international financial records, potentially endangering our national and homeland security. Why? What has changed since September 2001?"

Below is the Sept. 24, 2001 New York Times editorial entitled, "Finances of Terror."

Organizing the hijacking of the planes that crashed into the World Trade Center and the Pentagon took significant sums of money. The cost of these plots suggests that putting Osama bin Laden and other international terrorists out of business will require more than diplomatic coalitions and military action. Washington and its allies must also disable the financial networks used by terrorists.

The Bush administration is preparing new laws to help track terrorists through their money-laundering activity and is readying an executive order freezing the assets of known terrorists. Much more is needed, including stricter regulations, the recruitment of specialized investigators and greater cooperation with foreign banking authorities. There must also be closer coordination among America's law enforcement, national security and financial regulatory agencies.

Osama bin Laden originally rose to prominence because his inherited fortune allowed him to bankroll Arab volunteers fighting Soviet forces in Afghanistan. Since then, he has acquired funds from a panoply of Islamic charities and illegal and legal businesses, including export-import and commodity trading firms, and is estimated to have as much as \$300 million at his disposal.

Some of these businesses move funds through major commercial banks that lack the procedures to monitor such transactions properly. Locally, terrorists can utilize tiny unregulated storefront financial centers, including what are known as hawala banks, which people in South Asian immigrant communities in the United States and other Western countries use to transfer money abroad. Though some smaller financial transactions are likely to slip through undetected even after new rules are in place, much of the financing needed for major attacks could dry up.

Washington should revive international efforts begun during the Clinton administration to pressure countries with dangerously loose banking regulations to adopt and enforce stricter rules. These need to be accompanied by strong sanctions against doing business with financial institutions based in these nations. The Bush administration initially opposed such measures. But after the events of Sept. 11, it appears ready to embrace them.

The Treasury Department also needs new domestic legal weapons to crack down on money laundering by terrorists. The new laws should mandate the identification of all account owners, prohibit transactions with "shell banks" that have no physical premises and require closer monitoring of accounts coming from countries with lax banking laws. Prosecutors, meanwhile, should be able to freeze more easily the assets of suspected terrorists. The Senate Banking Committee plans to hold hearings this week on a bill providing for such measures. It should be approved and signed into law by President Bush.

New regulations requiring money service businesses like the hawala banks to register and imposing criminal penalties on those that do not are scheduled to come into force late next year. The effective date should be moved up to this fall, and rules should be strictly enforced the moment they take effect. If America is going to wage a new kind of war against terrorism, it must act on all fronts, including the financial one.

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